

California Postsecondary Education Commission **Minutes** Meeting of December 4-5, 2007

COMMISSIONERS PRESENT

Olivia K. Singh, Chair John P. Perez, Vice Chair Joseph P. Bishop George T. Caplan Lawrence T. Geraty Melinda Guzman **Hugo Morales** George W. Nickel Ralph R. Pesqueira H. Eric Schockman Bruce D. Varner Howard Welinsky Odessa P. Johnson, Alternate Carolyn Russell, Alternate

COMMISSIONERS ABSENT

Deborah Malumed Kenneth A. Noonan

CALL TO ORDER

Commission Chair Olivia Singh called the December 4-5, 2007, meeting of the California Postsecondary Education Commission to order at 9:12 a.m. on the first day and 8:55 a.m. on the second day, in the Commission's conference Room at 770 L Street, Suite 1160, Sacramento, California.

CALL OF THE ROLL

Executive Secretary Anna Gomez called the roll for the December 4-5, 2007, meeting, and a quorum was present.

APPROVAL OF THE MINUTES

The minutes of the September 25-26, 2007, meeting were unanimously approved.

REPORT OF THE CHAIR

Chair Singh introduced Commissioner Lawrence T. Geraty, appointed by the Governor to represent independent California colleges and universities. Chair Singh then announced two alternate Commissioners from the Board of Governors representing the California Community Colleges:

Carolyn Russell and Reverend J. Alfred Smith, Sr.

Chair Singh described a joint meeting of the American Association of University Women and the League of Women Voters of San Mateo County that she attended in October, and commented that many attendees still did not fully appreciate the increases in the cost of college attendance for students that have occurred over the past two decades.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Murray Haberman opened his report describing Commission work, highlighting recent "Improving Teacher Quality" (ITQ) grant awards and Commission program review activities. He then noted staff changes at the Commission and introduced former student assistant Ryan Fuller as the Commission's new Staff Services Analyst.

Director Haberman presented a gift from the Commission to Sherri Orland, who recently left her position as agency staff counsel and Legislative Director and accepted a position at the Depart-

ment of Corporations. Ms. Orland thanked the Commission for her time at CPEC and wished it the best in the future.

Director Haberman then reported that Lingbo Liu left the Commission and accepted a position with the Department of Food and Agriculture. He also thanked Charles Ratliff, former Deputy Director for the Commission and Kendyce Manguchei, a copy editor, for their work editing agenda items.

<u>Recent Activities:</u> Director Haberman reported on meetings with Senate and Assembly members and legislative staff. He described reports on colleges and universities, including a Lumina Foundation report on affordability and a national initiative to improve the productivity of higher education.

Director Haberman called on staff member Adrian Griffin to give an update on the Commission's study of university eligibility for the California public high school students who graduated in 2007. Dr. Griffin described the data collection phase and next steps for the study.

Dr. Griffin stated that data collection and analyses should be completed by August 2008, with a final report in December 2008. Commissioners posed several questions about the factors that affect university eligibility and discussed potential causes to increase eligibility.

Director Haberman then called on staff member Karen Humphrey. Ms. Humphrey described the recent "Achievement Gap Summit" she attended that was sponsored by State Superintendent of Public Instruction Jack O'Connell. The conference's primary theme was to identify strategies to improve achievement in underrepresented communities.

Director Haberman discussed the Commission's work on college affordability. He introduced two student scholars working with the Commission, Montrischa Williams and Erica Lindsten, to present their individual circumstances and the findings from a survey they conducted on college student finances.

Ms. Williams described her financial aid package and the \$13,000 of student debt she has incurred. She concluded that even with grant aid and work study, her expenses leave her with no choice but to work 30–39 hours per week while going to class, and that she would need to take out additional loans.

Ms. Lindsten noted that grant and work study aid left her with more than \$24,000 in loan debt. She described having borrowed money from family members, using credit card debt, and working 20–40 hours each week to pay for college.

Ms. Lindsten and Ms. Williams described the results of their survey. They noted that most students report difficulties in paying for college, particularly those who are deemed "middle income," but whose families do not have sufficient income to support them while they are enrolled in college.

Commissioner Guzman thanked the students for their work and personal investment, described her educational experiences, and spoke of the hard choices public policymakers must make to address the high college cost issue.

Commissioners Perez, Caplan, and Schockman also commended the students for their presentation and echoed Commissioner Guzman's statements about the need for California to make decisions about its level of public investment in higher education.

Commissioner Schockman recommended that the Commissioners forfeit their regular meeting per-diem payments of \$200 and donate this money to a scholarship fund for students, as a small contribution to help address the student debt problem. Commissioner Welinsky supported this idea and Director Haberman suggested that this money could be directed to the CPEC Foundation for distribution to a student scholarship fund.

PRESENTATION BY JENNIFER PALUCH, SURVEY PROJECT MANAGER, PUBLIC POLICY INSTITUTE OF CALIFORNIA

Director Haberman introduced Jennifer Paluch from the Public Policy Institute of California to present findings of her research on Californians' attitudes on higher education. She noted that more than one-third of survey respondents reported that student costs and tuition were the most important issues facing higher education today. Most parents participating in the survey stated that they are not saving enough money for college education. The majority of survey respondents said that the State should provide more funding for their children's higher education. She noted that respondents strongly support additional resources for higher education, even if this meant reducing funding for other public services. The respondents were split on how the State should generate these additional funds and expressed reservations about the government's ability to effectively plan for the future of the State's education enterprise.

Ms. Paluch concluded that while most Californians acknowledge the importance of college and are supportive of the State's three public postsecondary systems, many believe that qualified and motivated low-income and ethnic minority students have fewer opportunities than other students.

Commissioner Welinsky said he had discussed this report with legislators and that it was important to get these findings into public discussion. Several Commissioners commended the report and spoke of the need for increasing access to an affordable and productive higher education for more qualified Californians. Director Haberman committed to continuing the Commission's efforts to highlight the funding and cost challenges facing the State.

Commissioner Caplan asked Director Haberman how the Commission could craft more targeted solutions to these problems, in addition to the more general, data-based findings the Commission usually provides. Director Haberman urged Commissioners to be more active in raising these issues with the media and public officials, and offering the Commission's recommendations on college affordability and higher education accountability.

PRESENTATION BY DR. GARY HOACHLANDER, PRESIDENT OF CONNECTED

Chair Singh welcomed Dr. Gary Hoachlander of ConnectEd California. Dr. Hoachlander discussed a new approach to high school curriculum – "multiple pathways" – that combines academic, coursework with career-oriented courses to prepare students for a variety of alternatives after high school. Dr. Hoachlander described challenges with implementing this system in high school and ways that schools have addressed these issues. Dr. Hoachlander concluded by noting that his organization has been working with policymakers and other stakeholders to work through the logistics of implementing this different view of secondary education.

Commissioner Caplan commended the approach taken by ConnectEd and said that the community colleges were taking a similar approach to student preparation and outcomes. Commissioner Schockman asked if these curricula were targeted towards underprepared students and those at risk of dropping out of school prior to, and early in, high school. Dr. Hoachlander responded that while this approach could help stem pre-high school dropouts by providing these students

with options other than college, it is broad enough to facilitate college attendance and was more focused on providing educational and career options to all students than to target any one group.

Chair Singh and other Commissioners thanked Dr. Hoachlander for his presentation.

LEGISLATIVE UPDATE, DECEMBER 2007

Chair Singh called on former Commission Legislative Director Sherri Orland to present the legislative report. Ms. Orland distributed an updated matrix of legislation of interest to the Commission. She described bills acted upon by the Governor after the September Commission meeting, summarizing some of the provisions on legislation upon which the Commission had adopted formal "support" or "oppose" positions.

Commissioner Schockman asked Ms. Orland for her perspectives on how the Commission could be more effective in advocating its policy positions. She responded that the Commission should be responsive to legislators and Administration staff, as this would build credibility and shows the value of the Commission. She also said that the Commission should focus on only a few critical items at one time, recognizing the time limitations and other pressing issues facing legislative and Administration staff.

The Commissioners thanked Ms. Orland for her presentation and her work for the Commission.

RECESS

The meeting was recessed for lunch at 12:37 p.m.

RECONVENE

Chair Singh reconvened the public meeting at 1:40 p.m.

REPORT OF THE STATUTORY ADVISORY COMMITTEE, TODD GREENSPAN, CHAIR

Committee Chair Todd Greenspan reported discussions at the November 28, 2007, Statutory Advisory Committee (SAC) meeting. He provided updates of activities in each of the systems, including staffing changes in the various systemwide administrative offices. Mr. Greenspan also noted that State Superintendent Jack O'Connell's "P-16 Council" was meeting on December 4, 2007, and described other forums where efforts are being undertaken to close the achievement gap.

Commissioner Schockman inquired about the role of the Statutory Advisory Committee and need for the highest levels of segmental representation to attend its meetings. He asked Mr. Greenspan to report back on why each systems' top leadership no longer serve on the committee. Mr. Greenspan said he would report back on this issue.

Commissioners Guzman, Bishop, and Perez discussed the role of the systems' principal officers in the Committee and Director Haberman provided a historical perspective of their involvement.

PRESENTATION BY DR. REINHOLD WEISS, DEPUTY PRESIDENT OF THE GERMAN FEDERAL INSTITUTE FOR VOCATIONAL EDUCATION AND TRAINING

Chair Singh introduced Dr. Reinhold Weiss, Deputy President of the German Federal Institute for Vocational Education and Training. Dr. Weiss described his background in vocational education in Germany and his educational and professional experiences.

Dr. Weiss began by describing Germany's vocational education and training system as a "dual system". That system includes three levels of formal education for students from ages 6–19, after which time many students start work. Qualified students age 19 and over who do not start work enter 'Tertiary' level education. He described the strong connection in the German education and training system between applied schools of study and those offering traditional academic study, and the connection between the private and public sectors in Germany's dual system.

Dr. Weiss discussed the reduction of occupations requiring training occurring in recent decades, down from more than 600 in the 1980s to 342 in the 2006. He described the process for developing training regulations for new occupations, that involved consultation with trade unions, business, and localities, government officials, and other experts.

Dr. Weiss said that regulations are thoroughly researched in the adoption process and are also evaluated afterwards. Only when there is broad buy-in to a suggested regulation is it proposed for adoption. He stated that the training professions are updated regularly, noting that nearly half of the current 342 professions were created within the last ten years.

Dr. Weiss commented that German companies invest nearly 28 million Euros each year in training, with the government investing seven million Euros annually. He said the system has its strengths and weaknesses, noting that there are occasional deficits in training opportunities that are available to students.

Dr. Weiss described the projected downturn in the birthrate in Germany and the likelihood of shortages of trained workers in some professions in future years. He said that the government and companies were rethinking their strategies to attract and retain more students in the dual training system. He indicated that reforms were needed to offer more levels of training, including dual training for journeymen-level and master's level professionals as well as for apprentices. Dr. Weiss concluded his presentation by describing the European Union-mandated "National Qualification System," whereby qualifications for professions conferred in one country are transferable to another EU country, with no loss of credit. Germany is developing such a system, with more flexibility and portability in academic and vocational training.

Commissioner Pesqueira asked Dr. Weiss about the level of rigor in the evaluations that students must pass to advance in dual training systems. Dr. Weiss responded that companies themselves develop and implement these assessment tools.

Chair Singh asked Dr. Weiss how immigrants are assisted in navigating this system. He responded by citing the example of the large Turkish community in Germany. Many of the children from that community speak Turkish and do not learn German. Local officials have required students in these communities to attend language schools to learn German, and require these students to pass language competency exams in order to proceed in the education system.

Director Haberman asked Dr. Weiss how the disparate partners in this model were able to come together in Germany to develop this dual system, and what California could do. Dr. Weiss responded that there was cooperation between students, schools, companies, and the applied universities. Companies have continued to invest in the dual training system, in part, because they have influence on the curriculum in this system that they do not enjoy in the traditional university education system.

Dr. Weiss continued that the dual system is attractive to students because costs are very low and they can get mid-level positions in companies after they complete the program. Companies like the dual system because they often require the new employees to remain with the company for a set period of time, to assure that the money invested in their training benefits the company.

Commissioner Bishop asked Dr. Weiss about fee levels and student debt in German institutions. Dr. Weiss responded that public universities in Germany have very low fees, averaging 1,000 Euros per year, while private universities charge much more – around 15,000 Euros per year.

The Commission thanked Dr. Weiss for his presentation and discussion.

THE NEXUS BETWEEN POSTSECONDARY EDUCATION AND WORKFORCE DEVELOPMENT – CONCLUSIONS AND POLICY OPTIONS

Chair Singh called on staff member Karen Humphrey, who presented a summary of the Commission's work on this project. Ms. Humphrey thanked former student staff members Ryan Clark, Lingbo Liu, and Bridget Boyd for their work on the series of workforce reports. She said that California needs a more formalized mechanism for connecting workforce policy development with secondary and postsecondary education in the State.

Ms. Humphrey referred to the report's policy principles, emphasizing the need for a better student data system, improved State leadership, and more interagency collaboration. She said that workforce development, market demand, economic development, and education are all connected, and that agencies must come together to develop a more effective system for workforce/education collaboration. Ms. Humphrey concluded by describing the Commission's suggested next steps to develop a better connection between education and workforce needs.

Commissioner Pesqueira noted that the report cites a few other states as having addressed the data linkage problems and asked why California has not done so. Ms. Humphrey responded that delays in the development of a comprehensive student data system have hindered progress in this area, and that funding issues and concerns about the collection and disposition of student-identifying information have also slowed development of an effective nexus between employment needs and educational offerings.

Commissioner Schockman suggested that the Commission focus on improving State-level collaboration. Commissioner Bishop suggested that the Commission adopt a formal resolution to pursue the recommendations in the report. Director Haberman noted that staff would continue to work in this area by convening a task force including the State Labor and Workforce Development agency and the education systems.

Commissioner Russell moved to adopt the report. Commissioner Geraty seconded the motion. The motion was approved unanimously.

Dr. Kathleen Kaiser, representative for California Teachers Association, addressed the Commission about career-technical education programs. Dr. Kaiser said some high schools have been awarded State grants for equipment and teacher training needed for career education. She emphasized the need for regional collaboration in education and workforce development. She noted that regional collaboration occurs at varying levels around the state and is in need for further examination. She concluded by stating that "general education" should refer to the most essential skills of an educated person, and that these skills are to students as they enter the world of work.

PUBLIC HIGHER EDUCATION PERFORMANCE ACCOUNTABILITY FRAMEWORK REPORT

Goal - Student Preparation -

Measure: Adult Basic Skills Proficiency Levels

Chair Singh called on staff members Jessika Jones and Kevin Woolfork to present this report. Ms. Jones noted the challenges of analyzing the many programs in adult basic skills education. She described the findings on student performance and the characteristics of students in these programs. Ms. Jones and Mr. Woolfork concluded that greater alignment in data collection practices were needed by adult basic skills providers, along with a greater understanding of the courses and curricula included in basic skills instruction.

Commissioner Caplan suggested, and the Commission agreed, that the report be held over to the March 2008 Commission meeting and that the sections dealing with community college adult education be revised to more clearly describe community college programs in this area.

IMPROVING TEACHER QUALITY 2007 GRANT AWARDS

Chair Singh called on staff member Karen Humphrey, who presented a summary of the Improving Teacher Quality (ITQ) State Grants Program and described the Commission's process to award grants. In the current round of grants, nine grantees were awarded \$7.8 million for teacher professional development programs in K-2 classes, most in math and science. She concluded by describing the Request for Proposals process for the 2008 grants in which projects targeting the K-12 achievement gap will be encouraged.

The Commissioners discussed the projects and expressed a need for more reporting on specific outcomes and improvements in student achievement. Commissioner Perez also supported the development of collaborative initiatives for professional development that are not "top down" in their design and implementation. After further discussion, the Commission thanked Ms. Humphrey for her presentation.

RECESS

Chair Singh recessed the Commission Meeting on December 4, 2007, at 4:46 p.m. She announced that the Commission would reconvene on the next day at 8:45 a.m.

RECONVENE

Chair Singh called the December 5, 2007, Commission Meeting to order at 8:55 a.m.

CALL OF THE ROLL

Executive Secretary Anna Gomez called the roll for the December 5, 2007, meeting and a quorum was present.

PUBLIC HIGHER EDUCATION PERFORMANCE ACCOUNTABILITY FRAMEWORK REPORT

Goal - College Readiness -

Measure: High School Proficiency Levels

Chair Singh called on staff members Kevin Woolfork and Ryan Fuller to present this report. Mr. Fuller stated that this report examined the college preparation of California public high school students. The report analyzed state and national test data and course-taking data on college preparatory math and sciences and the "A-G" curriculum required by the California State University

(CSU) and the University of California (UC). Mr. Fuller described students' performance on the SAT and ACT exams and scores on the Algebra portion of the California Standards Test.

Mr. Fuller noted that performance on these exams and participation in these courses varied among ethnic groups, with White and Asian students doing better than Latino and African American students. Differences by gender were less pronounced, with course attendance slightly favoring females but SAT test scores favoring male high school students. Mr. Woolfork said that many factors affect the performance measures in the report, and that the differing levels of achievement by ethnic groups must be addressed.

Commissioner Caplan commented that high school students need to achieve greater levels of college preparation, that large numbers of UC and CSU students need remediation, and that many community college students enroll in pre-college level courses. Commissioners Caplan, Pesqueira and Morales all voiced concern with the results, noting that despite decades of reforms fewer students are attaining adequate levels of preparation for college.

Commissioner Guzman said the report was preliminary and that many of the data points were open to interpretation. She suggested more analysis was needed and recommended that the report be held until these issues were addressed. Commissioners Schockman, Morales, and Pesqueira spoke in support of the report and said that they too wish more in-depth examination of some of the areas covered in the report. Commissioner Morales suggested that future reports examine these data from a more regional perspective and Commissioner Pesqueira added that future reports should include more performance and outcomes information.

Commissioner Bishop spoke in support of the role academic preparation plays in helping high school students prepare for college, and encouraged the Commission to schedule a presentation by representatives of these programs at a future meeting.

Commissioner Welinsky moved, and Commissioner Pesqueira seconded, approval of the report. The report was approved by the Commission on a voice vote, with Commissioner Guzman voting "no" on the motion.

Chair Singh thanked Mr. Fuller and Mr. Woolfork for their presentation and for the report.

PUBLIC HIGHER EDUCATION PERFORMANCE ACCOUNTABILITY FRAMEWORK REPORT

Goal - College Readiness -

Measure: Percent of the Population with High School Diplomas

Chair Singh called on staff member Adrian Griffin to present this report. Dr. Griffin described the report as an examination of the percentage of Californians, aged 19–25, with high school diplomas. He noted that California ranks near the bottom of large states in this measure, and that it ranks closer to the top in this measure when only U.S-born students, and persons who immigrated before reaching school age, are examined.

Dr. Griffin stated that one of the goals in the Commission's accountability framework is to provide all high school students with the opportunity to get a college education. He noted that there is no such parallel goal for older students entering from the workforce, but that this too was important. He concluded that the Commission's next step in this research would be to look at a variety of measures to more fully assess college opportunities for Californians.

Commissioner Morales asked Dr. Griffin about the effects of poverty on this measure. Dr. Griffin replied that data on socioeconomic status data were available and could be examined to help measure the relationship between poverty and educational performance.

Commissioners Schockman and Guzman asked about the information in the report on the impact of immigration and inquired about the origins of the immigrants. Several Commissioners suggested that more introductory text be added to better define the purpose of this report and to put the effect of immigrants on this measure into clearer context.

Commissioners asked questions about some of the graphs in the report and Dr. Griffin committed to clarifying them in the final version of the report. Commissioner Perez commented that the report accurately reflects the impact of decisions made by California policymakers and the State's underinvestment in education.

Director Haberman said that staff would make changes to the text to better explain some of the key findings of the report.

A motion was made by Commissioner Bishop, seconded by Commissioner Morales to approve this report with suggested changes, and to include a descriptive appendix on how the data were collected. The motion was approved unanimously.

Chair Singh thanked Dr. Griffin for his report and presentation.

PUBLIC HIGHER EDUCATION PERFORMANCE ACCOUNTABILITY FRAMEWORK REPORT.

Goal - College Readiness -

Measure: Proficiency Levels in English and Mathematics

Chair Singh called on staff member Adrian Griffin to present this report. Dr. Griffin reported that there were differences in the proficiency of high school students in English and Mathematics both by racial groupings and by income levels. He noted that relative to other ethnic groups, California has difficulty preparing African American and Latino students for college, and that the same findings apply for students who attend school in low income areas.

Dr. Griffin presented national comparisons on reading proficiency, reporting that California ranked at the bottom of the large states in this measure. He concluded that there are a great many measures used to examine college going and that it might be better to focus in on only a few such measures. He also noted the variation between ethnic groups and income levels and suggested that more detailed examination is needed to explore the potential causes of this differential achievement and to pose possible remedies.

Commissioner Pesqueira inquired about what could be done to examine the role of teachers play in college readiness, noting that some teachers have facilitated success with challenging student populations. Commissioner Perez said that teaching in K-12 is more difficult to do now than in the past, as evidenced by the high attrition rate of new teachers.

Other Commissioners discussed the role of teachers, available resources, family income, and other factors that affect student proficiency in Math and English.

Commissioner Welinsky moved to approve this report, seconded by Commissioner Schockman. The motion was approved unanimously.

Chair Singh thanked Dr. Griffin for the report and his presentation.

MEETING THE K-14 CHALLENGE: EXAMINING THE CASE FOR DOCTORAL PROGRAMS IN EDUCATIONAL LEADERSHIP

Chair Singh called on staff member Stacy Wilson to present this report. Dr. Wilson presented the policy recommendations in the report: that greater statewide regional planning be undertaken; that the State provide funding for better analyses of the effectiveness of the educational leadership programs; and that K-14 performance data be more fully integrated into assessments of the impact of these programs.

The CSU representative Dr. Christine Hanson addressed the Commission and distributed a letter from the Chancellor's Office detailing CSU's opposition to the report.

Commissioner Caplan spoke about the difficulty of evaluating the effectiveness of the educational leadership programs and said that this report recognized this complexity and attempted to put forward a plan to do this in the future.

Commissioner Johnson said that she disagreed with the recommendations and that she believed that CSU had sufficient review processes in place to evaluate these programs.

Director Haberman described the legislation authorizing CSU's offering of educational doctorate programs, citing the role spelled out for the Commission in the legislation.

Commissioner Pesqueira supported Commissioner Johnson's remarks and said that CSU should be allowed to continue developing educational leadership programs without the analysis recommended in the report.

Commissioner Welinsky said that his reading of the report is that it does not inhibit CSU's ability to develop educational leadership programs and that he supported the report.

Commissioner Guzman expressed her concerns about the report and the level of disagreement between CSU and the Commission over CSU's educational leadership programs.

Commissioner Morales spoke in support of the report, stating his belief that this process proposed in the report would help CSU develop its programs. Commissioner Perez concurred. He said that the evaluation standards proposed in this report were similar to those expected of grant award winners in the Commission's ITQ program.

Commissioner Geraty encouraged the higher education systems and the Commission to work together on this issue, noting that the report represented the Commission doing its work. He said the recommendations allowed for future changes in evaluations as these programs evolved.

Commissioner Russell said that her system supports CSU's educational leadership programs and that she would abstain from voting on this report.

Commissioner Welinsky moved, and Commissioner Morales seconded, approval of the report, with a change to the proposed program implementation advisory committee to include Commissioners. The report was approved on a 8–3 roll call vote, with Commissioners Guzman, Pesqueira, and Johnson voting "no" on the motion and Commissioners Schockman and Russell abstaining.

Chair Singh thanked Dr. Wilson for the report and for his presentation.

PUBLIC HIGHER EDUCATION PERFORMANCE ACCOUNTABILITY FRAMEWORK REPORT.

Goal - Access and Affordability -

Measure: Percent of Unmet Need in Paying the Cost of College

Chair Singh introduced Dr. Richard Moore and Economics Professor Kenneth Chapman from California State University, Northridge to present this report. He noted that the report was based on data from the National Postsecondary Education Student Aid Survey (NPSAS).

Dr. Moore said he was working with the University of California to refine some of the information on UC students. Professor Chapman described the cost components included in this measure and defined "unmet need" as the additional money a student needs to pay for college costs beyond regular financial aid and expected family contributions.

The presenters summarized their findings that the costs of college grew substantially between 1996 and 2004, particularly the student charges component. They stated that these cost increases have forced students to take on additional debt, and reduced their course loads to allow more time to hold jobs. They also noted that despite cost increases, low-income students attending CSU have seen a decline of 78% in their unmet need because the system substantially increased student financial aid.

Commissioner Caplan said that in his view the report understates the affordability problem from the perspectives of middle-income and lower-income families. Director Haberman said the variety of sources families use to help pay for college tends to mask this situation. Professor Chapman reported that the expected family contribution for low-income students increased between 1996 and 2004. Dr. Moore attributed part of this increase to some low-income students who attended lower cost institutions not realizing that they might still qualify for additional financial aid and, therefore, not applying for it. For middle- and high-income students, a large percentage of costs is not covered by aid and must be covered by students and their families. Dr. Moore then presented cross-state comparisons of costs for four-year institutions, noting that California's unmet need has declined somewhat, relative to other large states in recent years.

Commissioner Welinsky moved, and Commissioner Bishop seconded, approval of the report, with the inclusion of more explicit language defining cost and affordability and any needed changes that come from the continued work with UC. The report was approved on a unanimous vote

Chair Singh thanked Dr. Moore and Professor Chapman for their presentation and for the report.

PUBLIC HIGHER EDUCATION PERFORMANCE ACCOUNTABILITY FRAMEWORK REPORT.

Goal— Contributions to Economic, Civic, and Social Development — Measure: Policy Options

Chair Singh asked Dr. Richard Moore to present this report. Dr. Moore reviewed key findings from the Commission's earlier reports on educational attainment, noting the decline in levels of educational attainment in California. He presented the report's main conclusions that California needs more college graduates and that the state has several options to address this situation such as increasing the number of campuses and raising campus capacity by increasing productivity and utilization. Dr. Moore recommended that funding be tied to completion and graduation rather than just enrollment.

Commissioners Geraty and Pesqueira asked how the Commission could put into effect some of the report recommendations, particularly those related to enrollment funding, without harming

educational quality. Dr. Moore said that campuses respond to incentives and that a change in funding strategies can be developed in ways that promote greater educational "through-put," while not short changing students' educational experiences. He summarized other recommendations to increase educational productivity by tailoring funding and program offerings to high-demand campuses and fields of study.

Dr. Moore then discussed recommendations for upgrading the education of California workers by coordinating employers and continuing education programs. Another recommendation in the report was that the Commission be designated as the State entity to run the "Performance Based Accountability" system authorized by the Legislature.

Commissioner Guzman said that any policies to improve productivity must recognize the challenges campuses face in educating underprepared students, especially those from historically non-college-going backgrounds. Commissioner Johnson expressed some concerns about the impact of differential funding on programs.

Dr. Moore concurred with Commissioner Guzman's comments and, in response to Commissioner Johnson's concerns, noted that only a marginal level of differentiated funding for programs was envisioned in the recommendation.

Commissioner Welinsky moved, and Commissioner Schockman seconded, approval of the report. The report was approved on a unanimous vote.

Chair Singh thanked Dr. Moore for his presentation and the report.

OTHER BUSINESS

On behalf of the Commission, Director Haberman offered his thanks and best wishes to retiring University of California Legislative Director Steve Arditti. Director Haberman commended Mr. Arditti for his decades of service to the State of California, the University of California, and to the state's college students. Mr. Arditti thanked the Commission and expressed his gratitude to the University of California and to the Commission for its support and collegiality during his tenure. Director Haberman led a round of applause for Mr. Arditti.

There being no further business, the Commission meeting adjourned at 12:50pm.